

OPIOID EPIDEMIC

Its Impact on Investment Advisers,
Their Clients, and Firms



The opioid epidemic is the
BIGGEST
public health crisis currently
facing Pennsylvania.

An InvestmentNews survey reported in August 2017 that more than one-third of financial advisers have had clients identify as having opioid use disorder or having a close family member struggling with opioids.

The opioid epidemic is the biggest public health crisis currently facing Pennsylvania. Governor Tom Wolf has made fighting the opioid crisis in Pennsylvania one of our state government's top priorities, and in August 2017, opioid use disorder was declared a national emergency.

Every day, nearly a dozen Pennsylvanians die from a drug related overdose or accident, wreaking havoc on families, communities, businesses, and the statewide economy. The financial pressures placed on individuals and families is becoming a business issue for investment advisers whose clients are requesting or even demanding funds from retirement accounts to pay for opioid treatment.



WHAT CAN YOU DO TODAY TO UNDERSTAND AND PROVIDE GUIDANCE TO AFFECTED CLIENTS?

1. UNDERSTANDING OPIOID USE DISORDER

- Addiction is a disease, not a moral failing.
- The Centers for Disease Control and Prevention (CDC) found that opioid dependency can begin in as soon as 3-5 days of initial use.
- Out-of-pocket costs for rehab/detox programs can cost upwards of \$50,000 and do not guarantee results.
- Opioid use disorder is not limited to illicit substances. Prescription drug abuse is also a contributing factor and prevalent throughout all demographics.
- According to the Drug Enforcement Agency, overdose deaths in Pennsylvania in 2016 rose to 4,642 individuals, or about 13 deaths per day.

2.

HOW THE OPIOID EPIDEMIC AFFECTS INVESTMENT ADVISERS

- Investment advisers are on the front line of this issue due to the tremendous costs associated with addiction and treatment.
- Investment advisers may be a first line defense to identify and detect a client who is struggling with opioids or **who is being financially exploited** by someone struggling with opioids.
- Clients may request or even demand money from retirement savings, tapping home equity lines, or utilizing credit cards to cover expenses for themselves or a loved one battling opioid use disorder.



“We must continue to use every tool at our disposal to combat this crisis, and help our citizens recover from substance use disorders.”
- Governor

3.**WHAT YOU CAN DO TO HELP**

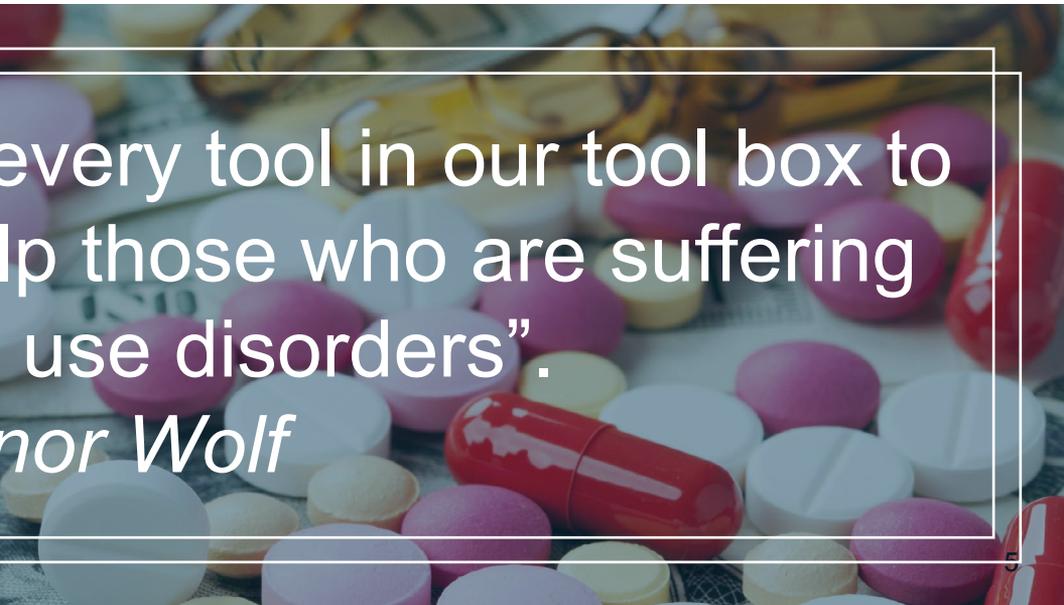
Here are some questions to ask about how you can help your clients understand the short-term and long-term implications of funding sources for opioid treatment options from retirement savings.

Do your clients understand the unpredictable and costly cash flow of treating opioid use disorder?

- Since initial treatments may not be successful, you can help your clients prepare for future cash needs to help minimize financial losses.

Do you know how to spot and report financial exploitation?

- Opioid use disorder can bring with it financial exploitation. This could come in the form of exploitation by family members or trusted professionals. Indicators include:
 1. Others showing too much interest or control;
 2. Display of fear, anxiety or submission; or
 3. Decline in appearance or signs of neglect



every tool in our tool box to help those who are suffering from opioid use disorders”.

Donor Wolf

What are the “red flags” of financial exploitation by strangers?

- In times of stress, we're more vulnerable, even to the well-known signs of scams. Discuss the “red flags” such as unlicensed activity, up-front fees, limited-time offers, or high-pressure tactics.

Have your clients explored insurance options?

- Treatment options may not involve out-of-pocket payments. Be sure to ask your clients if they've fully explored their insurance options, including Medicaid, to pay for treatment.

Does your firm have sufficient internal controls?

- Opioid use disorder can take over the lives of people you might least expect, even investment professionals, including your employees and colleagues.
- Make sure your firm has sufficient internal controls to identify suspicious account activity and strong verification protocols.
- Watch out for any sudden changes in account control or suspicious activity.
- Look for lack of documentation and/or handwritten documents.
- Research unusual gains and losses, or unusual distributions.



4. KNOW WHERE TO FIND HELP

- If somebody has taken drugs and becomes unresponsive, call **911** immediately.
- Call a completely confidential hotline, **1.800.662.HELP** (4357) for information about treatment resources. This hotline, staffed by trained professionals, is available 24 hours a day, seven days a week and is available in both English and Spanish.
- To learn more about Pennsylvania’s campaign against opioid addiction, visit: **www.pa.gov/opioids**



5. RESOURCES FOR YOUR CLIENTS

- Call a completely confidential hotline, **1.800.662.HELP** (4357) for information about treatment resources. This hotline, staffed by trained professionals, is available 24 hours a day, seven days a week and is available in both English and Spanish.
- Community substance abuse programs are administered through county program offices called Single County Authorities (SCAs.) The SCA determines a person’s eligibility for service funding, assesses the need for treatment or other services, and makes referrals to appropriate programs to match treatment and/or service needs. For more information, visit: **<https://apps.ddap.pa.gov/gethelpnow/CountyServices.aspx>**
- Forty-five Centers of Excellence statewide help ensure that people with opioid-related substance use disorders stay engaged in treatment to receive follow-up care and are supported within their communities. The centers coordinate care for people utilizing a team-based approach that is focused on treating the “whole person,” with the explicit goal of integrating behavioral health and primary care. For more information, visit: **www.dhs.pa.gov/citizens/substanceabuseservices/centersofexcellence**

Developed in partnership with these participating
commonwealth agencies.



pennsylvania
DEPARTMENT OF AGING



pennsylvania
DEPARTMENT OF BANKING
AND SECURITIES



pennsylvania
DEPARTMENT OF DRUG AND
ALCOHOL PROGRAMS



pennsylvania
DEPARTMENT OF HEALTH



pennsylvania
DEPARTMENT OF HUMAN SERVICES

The PA Department of Banking and Securities is Pennsylvania's financial services regulator. We oversee state-chartered banks, credit unions, consumer lenders, investment professionals, and other financial services firms. We provide free and confidential help to anyone with a question or complaint about financial services, transactions, products, or elder financial abuse.

Market Square Plaza | 17 N. Second Street, Suite 1300 | Harrisburg, PA 17101

1.800.PA.BANKS | 1.800.600.0007 | dobs.pa.gov |     



Connect ... Learn ... Contact